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October 19, 2004

Via Hand Delivery

The Honorable Benson E. Legg
United States District Court
for the District of Maryland
Chambers 3-D, Garmatz Federal Courthouse
101 West Lombard Street
Baltimore, Maryland 21201

Re: Manor Care of America, Inc. v.
Property & Casualty Insurance Guaranty Corporation
Case No.: L-02-4206

Dear Judge Legg:

I write in my capacity as counsel for Defendant, Property & Casualty Insurance Guaranty Corporation (hereinafter "PCIGC") in the above-referenced matter. If you will recall, Plaintiff's counsel wrote to you on July 21, 2004 by way of a status report regarding counsels' agreement for the completion of discovery previously ordered by the Court. Plaintiff's counsel, Gerald L. Kowalski, also indicated that counsel would provide the Court with a follow-up status report by September 1, 2004, when the additional discovery would be completed. I enclose a copy of Mr. Kowalski's July 21, 2004 status report for ease of reference. On August 27, 2004, PCIGC timely responded by Plaintiff's Second Set of Interrogatories and Third Request for Production of Documents. PCIGC has received no communications from the Plaintiff expressing dissatisfaction with either the Answers to Interrogatories or the documents produced in Response to the Request for Production of Documents. Accordingly, it is clear that all discovery has been completed in this matter.

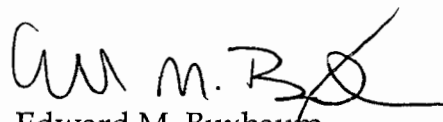
After responding to Plaintiff's supplemental discovery, I contacted Mr. Kowalski on several occasions for the purpose of prompting the joint status report to the Court as contemplated in the July 21, 2004 status report. For reasons unknown to me, I cannot generate any response from Mr. Kowalski.

As the Court will also recall, by Order dated March 31, 2004, you deferred consideration of PCIGC's Renewed Motion for Summary Judgment (as well as the Plaintiff's Cross Motion for Summary Judgment) pending completion of the additional discovery referenced herein. Accordingly, on behalf of the Defendant, I write to request that the Court now consider and rule upon the Defendant's Renewed Motion for Summary Judgment originally filed on August 27, 2003.

Of course, if the Court would prefer, I would be happy to re-file PCIGC's Renewed Motion for Summary Judgment. At this juncture, however, I will assume that this letter is an acceptable mechanism to trigger the Court's consideration of the Defendant's Motion unless I hear from you to the contrary.

I appreciate your consideration of this letter and the Defendant's request to move the summary judgment process forward.

Respectfully,


Edward M. Buxbaum

EMB:tmf
Enclosure

cc: Gerald Kowalski, Esquire (with enclosure)
Deanne Ottaviano, Esquire (with enclosure)

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July 21, 2004

Honorable Benson E. Legg
United States District Court
District of Maryland
101 W. Lombard Street
Baltimore, Maryland 21201

Re: **Manor Care v. Property & Casualty Insurance Guaranty Corporation**
Case No. L-02-4206

Dear Judge Legg:

As a result of your May 18, 2004 Order, I have had extensive discussions with opposing counsel, Ed Buxbaum. Mr. Buxbaum and I have discussed options which would allow me to obtain the additional discovery which you permitted in your Order. We are attempting to complete this phase of discovery without the necessity of the depositions that you ordered. Mr. Buxbaum and I have arrived at the following agreement.

I intend to submit six interrogatories and two requests for production of documents to Mr. Buxbaum. He will respond in good faith to these requests but may be asserting privilege and other objections that are available to him under the Civil Rules. I reserve my right to challenge these objections (if asserted) and to file an appropriate motion for you to rule on these matters. Mr. Buxbaum and I will also be filing a stipulation concerning certain factual issues. Upon receipt of appropriate interrogatory answers and documents, my client will be in a position to amend the previously filed motion for summary judgment. I am hopeful that our amended summary judgment motion will be filed within 30 days of receipt of appropriate discovery responses. I am hopeful that this phase of discovery will be completed without the necessity of further court intervention. Mr. Buxbaum has reviewed and approved this letter. If this plan meets with your approval, either Mr. Buxbaum or I can report to you further by September 1, 2004 as to the status of this issue.

Respectfully,

Cooper & Walinski

Gerald R. Kowalski

GRK/bs

cc: Edward Buxbaum, Esq.
Deanne Ottaviano, Esq.
John Benavides